



California Public Utilities Commission

505 Van Ness Avenue, San Francisco, CA 94102

News Release

FOR IMMEDIATE RELEASE

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PUC APPROVES EXPANDED NATURAL GAS HEDGING PROGRAM FOR SOCALGAS AND SDG&E CUSTOMERS THIS WINTER

SAN FRANCISCO, Oct. 27, 2005 – The California Public Utilities Commission (PUC) today, in its continued response to high natural gas prices, approved for Southern California Gas Company (SoCalGas) and San Diego Gas and Electric Company (SDG&E) an expanded level of hedging of their natural gas purchases for this coming winter.

Similar to the relief that the Commission recently provided to Pacific Gas and Electric Company on Oct. 6, 2005, SoCalGas and SDG&E will use hedging to help safeguard the core customers of both utilities from high natural gas prices for this coming winter. As a result of today's decision, the average residential customer's monthly bill will increase by approximately \$2. But the Commission determined that without the expanded hedging authority, consumers face the risk of even higher gas bills.

"We're working hard to stay ahead of the rising natural gas price curve this winter," said PUC President Michael R. Peevey. "Today's decision gives SoCalGas and SDG&E more power to reign in volatile natural gas prices and reduce customer bill impacts."

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